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FISCAL IMPACT REPORT

ORIGINAL DATE 2/20/07

SPONSOR Anderson LAST UPDATED _____ HB 1150/aHTPWC

SHORT TITLE State Defense Force License Plates SB _____

ANALYST Earnest

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	\$0.1*	\$0.1*	Recurring	State Road Fund
	\$0.1*	\$0.1*	Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

*Indeterminate but positive revenue impact; see fiscal implications section

SOURCES OF INFORMATION

LFC Files
TRD

Responses Received From
Taxation and Revenue Department (TRD)
Department of Military Affairs

SUMMARY

Synopsis of HTPWC Amendment

The House Transportation and Public Works Committee (HTPWC) amendment changes the effective date of the legislation to July 1, 2008. This change would allow TRD to make the system upgrades needed to implement the new plate.

Synopsis of Original Bill

House Bill 1150 would require the Motor Vehicle Division (MVD) to issue a specialized plate for members or retirees of the State Defense Force. The fee for the plate is \$25. Of this fee, \$10 would be retained by the department to defray costs of producing the plate and the remaining \$15

would be distributed to the State Road Fund and local governments. The State Defense Force, as defined in Section 20-5-1 NMSA 1978, refers to the elements of the militia in the Department of Military Affairs, including the former NM state guard.

FISCAL IMPLICATIONS

TRD cannot precisely estimate the number of State Defense Force special plates that may be requested. Approximately 25,000 special plates are currently issued under 22 different kinds. The most common are the veterans of various armed services (9,269 total) and collegiate plates (8,957 total), but several of the special plates have been issued in much smaller quantities.

The additional \$15 per plate fee would be appropriated to the State Road Fund (74.65 percent) and to local governments (25.35 percent).

ADMINISTRATIVE IMPLICATIONS

TRD indicates that, since the creation of several special registration plates over the past few years, the revenue accounting system of the Motor Vehicle Division has run out of revenue codes to implement additional special registration plates. All new special registration plates are assigned a revenue code and financial programming so the plate can be programmed into the system and the associated funds distributed appropriately. Without any revenue codes available, no additional special registration plates can be implemented into the existing system. In order to accommodate new special registration plates, a re-write of the revenue accounting system will need to occur.

TECHNICAL ISSUES

TRD recommends a July 1, 2008, effective date for this and any other special registration plate proposals in order to complete the necessary system changes.

BE/mt